

Message Text

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ACTION IO-14

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TAGS: AORG, AFIN, OCON, UNESCO

SUBJECT: 93RD EX/BD'S F&A COMMISSION ACTS ON AUDITOR'S REPORTS, STAFF
SALARIES AND ALLOWANCES (ITEMS 7.3, 7.4 AND 7.5)

REF: (A) STATE 179594; (B) STATE 182888 (ITEM 7.5)

1. 93RD EXBD'S F&A COMMISSION COMPLETED ACTION ON SEPT. 28
ON TWO EXTERNAL AUDITOR'S REPORTS (ITEMS 7.3 AND 7.4) AND
ON SUBJECT OF STAFF SALARIES AND ALLOWANCES (ITEM 7.5):
FOLLOWING IS ACTION TAKEN ON EACH ITEM:

ITEM 7.3 (REPORT OF EXTERNAL AUDITOR AND FINANCIAL REPORT OF
DG ON ACCOUNTS OF UNESCO FOR BIENNIUM ENDED 31 DEC 1972 (93
EX/33):

A. COMMISSION UNANIMOUSLY APPROVED DR SUBMITTED BY WORKING
PARTY OPERATIVE PARAS OF WHICH FOLLOW:

QUOTE: 5. INVITES DG TO MAKE COMMENTS AND/OR PROPOSALS
TO 94TH SESSION OF BOARD ON FOLLOWING RECOMMENDATIONS MADE
BY EXTERNAL AUDITOR: (I) DEFINITION OF "SELF LIQUIDATING
EXPENDITURE" (PARA 19); (II) WAY OF MEETING A DEFICIT THAT
MAY RESULT BY SETTLEMENT OF OBLIGATIONS REMAINING
UNLIQUIDATED AT END OF A BUDGETARY PERIOD (PARA 20) ; (III)
RESERVATION OF AN APPROPRIATE PART OF WCF FOR PRIMARY PURPOSE
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OF DINANCING REGULAR PROGRAM EXPENDITURE PENDING RECEIPT

OF MEMBER STATES' CONTRIBUTIONS (PARA 30); AND

6. DECIDES TO CONSIDER THESE COMMENTS AND/OR PROPOSALS AT ITS 94TH SESSION BEFORE TRANSMITTING REPORT OF EXTERNAL AUDITOR TO GEN CONF WITH SUCH COMMENTS AS IT DEEMS APPROPRIATE. UNQUOTE.

B. COMMISSION WAS PARTICULARLY CONCERNED AND NOTED IN PARA 4 OF ITS RESOLUTION AUDITOR'S COMMENT IN PARA 18 OF HIS REPORT THAT SECRETARIAT DOUBTFULLY INTERPRETING FIN REG 7.1 WHICH ALLOWS "DIRECT REFUNDS OF EXPENDITURE MADE DURING FINANCIAL PERIOD" TO BE CREDITED TO BUDGET; (2) WITH BUDGETARY CONTROL OF FIELD OFFICES (PARA 21) WHICH DURING FINANCIAL PERIOD 1971-1972 INCURRED COMMITMENTS SUBSTANTIALLY IN EXCESS OF THEIR BUDGETARY ALLOTMENTS; AND (3) WITH UTILIZATION OF MORE THAN \$5 MILLION OF UNDP FUNDS TO FINANCE REGULAR PROGRAM OF ORGANIZATION DURING 1971-2 WITHOUT SPECIFIC APPROVAL OF UNDP.

C. IN RESPONSE TO QUESTIONS SECRETARIAT EXPLAINED THAT FUNDAMENTAL REASON FOR DIFFICULTIES ENCOUNTERED IN 1971-2 WAS MALFUNCTIONING OF UNESCO'S COMPUTER UNIT WHICH WAS UNABLE TO GIVE BUDGET BUREAU AND COMPTROLLER ACCOUNTS DURING MOST OF PERIOD, REQUIRING ORGANIZATION TO HIRE OUTSIDE ASSISTANCE AND TEMPORARILY IMPAIRING OPERATION OF NORMAL BUDGETARY CONTROLS ON OPERATIONS OF ORGANIZATION.

ITEM 7.4 (REPORT OF EXTERNAL AUDITOR, FINANCIAL REPORT OF DG AND FINANCIAL STATEMENT RELATING TO UNDP AS AT 31 DEC 1972 (93 EX/34):

A. COMMISSION UNANIMOUSLY APPROVED RESOLUTION WHICH NOTED IN PARTICULAR OBSERVATIONS OF EXTERNAL AUDITOR WITH REGARD TO PLANNING AND IMPLEMENTATION OF PROJECTS (PARAS 9-12) AND APPROVED ON BEHALF OF GEN CONF, AS AUTHORIZED UNDER 17 C/RES 14.4, REPORT OF EXTERNAL AUDITOR, FINANCIAL REPORT OF DG AND FINANCIAL STATEMENTS RELATING TO UNDP AS AT 31 DEC 1972.

B. DEBATE ON THIS ITEM WAS INCLUDED IN DEBATE ON ITEM
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7.3 AS LATTER ALSO INCLUDED COMMENTS ON USE OF UNDP FUNDS FOR REGULAR PROGRAM DURING PERIOD 1971-2.

ITEM 7.5 (STAFF SALARIES AND ALLOWANCES (93 EX/35 AND ADD):

A. COMMISSION APPROVED 16(US)-0-3(USSR, CZECHOSLOVAKIA, EGYPT) TWO PART RESOLUTION ON PENSIONS AND SALARIES WHICH CONTAINED FOLLOWING:

K. (PENSIONS) AUTHORIZED DG IN EVENT UNGA INCORPORATES INTO BASE SALARY OF STAFF OF PROFESSIONAL AND HIGHER CATEGORIES OF SEVERAL CLASSES OF POST ADJUSTMENT TO APPLY IT TO STAFF OF UNESCO IN ACCORDANCE WITH 17 C RES 23.2, PARA 1;

II. (SALARIES) AGREE TO ADHERE TO ITS DECISION OF 89TH SESSION REGARDING RATE OF FURTHER SALARY ADJUSTMENTS (89 EX/DEC 8.8.2); INVITES DG TO CONTINUE TO KEEP SITUATION UNDER CLOSE REVIEW, IN PARTICULAR IN LIGHT OF FINDINGS OF SURVEY OF BEST PREVAILING RATES IN FRANCE TO BE CARRIED OUT AT THE BEGINNING OF 1974, AND TO SUBMIT RECOMMENDATIONS TO EXBD AT ITS 94TH SESSION; AND INVITES DG TO REPORT TO A FUTURE SESSION OF BOARD ON LIKELY PUBLICATION IN NEAR FUTURE OF OFFICIAL FRENCH GOVERNMENT INDEX OF MONTHLY SALARY RATES.

B. IN RESPONSE TO QUESTIONS, BUDGET DIRECTOR RAO SAID THAT FINANCIAL IMPLICATIONS OF ADDING FIVE CLASSES OF POST ADJUSTMENTS TO BASE SALARIES OF STAFF WOULD BE \$2 MILLION FOR TWO YEARS, AND WOULD ADD \$1 MILLION TO BUDGET BASE FOR PAYMENT OF 14 PERCENT PENSION CONTRIBUTIONS TO UN JOINT STAFF PENSION FUND.

C. AFTER DR APPROVED SOVIET REP IKONIKOV EXPLAINED HIS ABSTENTION STATING USSR WAS OPPOSED TO AUTOMATIC PROCESS OF PROFESSIONEL AND GS SALARY INCREASES. FRG REP PETERSEN EXPRESSED HIS CONCERN -- WHICH WILL BE NOTED IN COMMISSION REPORT--ABOUT DISPARITY BETWEEN RATE OF SALARY INCREASE AND INFLATION RATE, NOTING SALARY INCREASE PERCENTAGE ALWAYS HIGHER THAN INFLATION RATE.IRWIN

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